

E-Commerce Models

There are mainly 4 types of business models based on transaction party:

2.1 Business-to-Consumer (B2C)

In a Business-to-Consumer E-commerce environment, companies sell their online goods to consumers who are the end users of their products or services. Usually, B2C E-commerce web shops have an open access for any visitor, meaning that there is no need for a person to login in order to make any product related inquiry.

The common B2C business models are the online retailing companies such as Amazon.com. B2C e-commerce revenues will increase from US\$59.7 billion in 2000 to US\$428.1 billion by 2004.

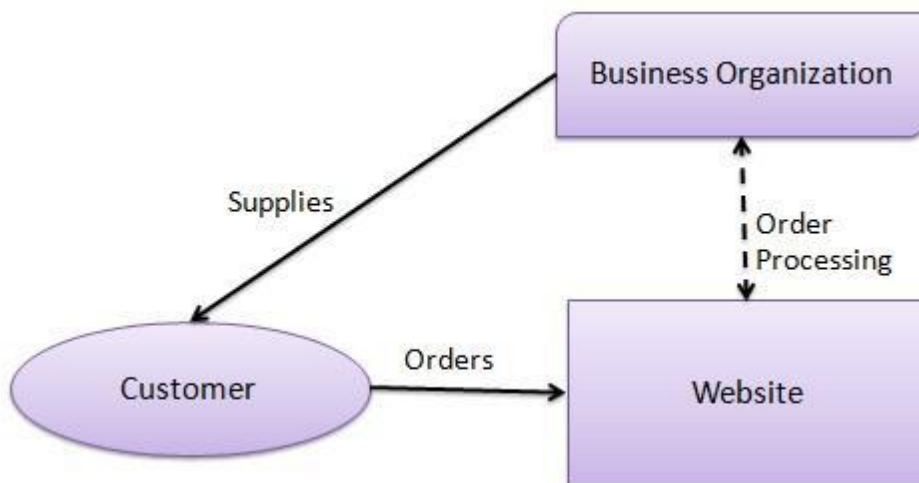


Figure (1) B2C

2.2 Business-to-Business (B2B)

In a Business-to-Business E-commerce environment, companies sell their online goods to other companies without being engaged in sales to consumers. In most B2B E-commerce environments entering the web shop will require a log in. B2B web shop usually contains customer-specific pricing, customer-specific assortments and customer-specific discounts.

The more common B2B examples and best practice models are IBM, Hewlett Packard (HP), Cisco and Dell. Cisco, for instance, receives over 90% of its product orders over

the Internet. eMarketer projects an increase in the share of B2B e-commerce in total global e-commerce from 79.2% in 2000 to 87% in 2004 and a consequent decrease in the share of B2C e-commerce from 20.8% in 2000 to only 13% in 2004.

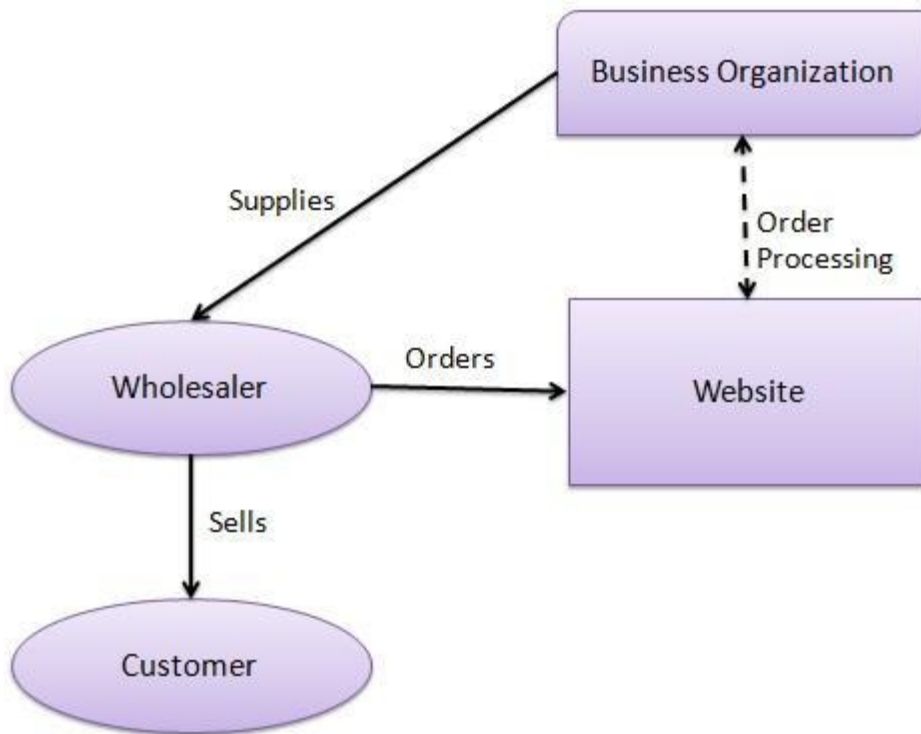


Figure (2) B2B

2.3 Consumer-to-Business (C2B)

In a Consumer-to-Business E-commerce environment, consumers usually post their products or services online on which companies can post their bids. A consumer reviews the bids and selects the company that meets his price expectations.

Elance was one of the first web sites to offer this type of transactions. It allows sellers to advertise their skills and prospective buyers to advertise projects. Similar sites such as Peopleperhour and Guru work on the same basis.

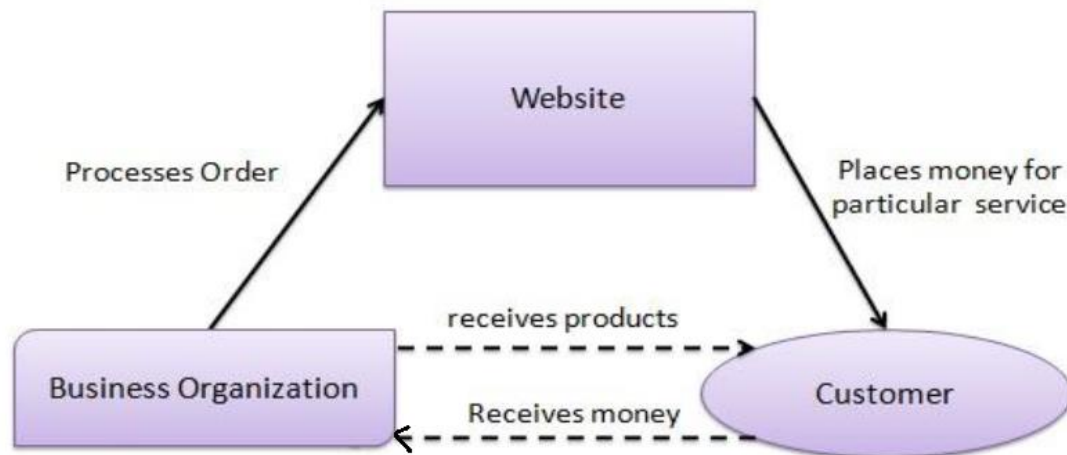


Figure (3) C2B

2.4 Consumer-to-Consumer (C2C)

In a Consumer-to-Consumer E-commerce environment consumers sell their online goods to other consumers. A well-known example is eBay.

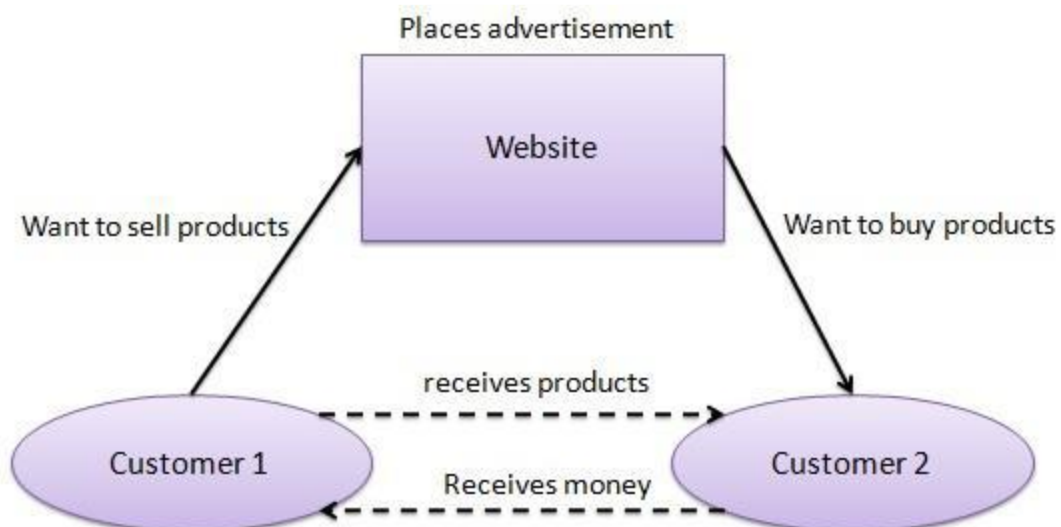


Figure (4) C2C